

DEBTOR EASY STREET MEZZANINE

MONTHLY OPERATING REPORT
CHAPTER 11

CASE NO. 09-29908

Form 2-A
CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period SEPTEMBER 14 to SEPTEMBER 30, 2009

Accounting Method ☒ Accrual Basis ☐ Cash Basis

THIS REPORT IS DUE 15 DAYS AFTER THE END OF THE MONTH

Mark On Box Each
Required Document

Debtor must attach each of the following reports/documents unless the U.S. Trustee has waived the requirement in writing. File the original with the Clerk of Court. Sup, it a duplicate, with original signature, to the U.S. Trustee

Report /Document Waived	Previously Waived	REQUIRED REPORTS / DOCUMENTS
<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. Cash Receipts and Disbursement Schedule (Form 2-B)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Balance Sheet (Form 2-C)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. Profit and Loss Statement (Form 2-D)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. Supporting Schedules (Form 2-E)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. Quarterly Fee Summary (Form 2-F)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. Narrative (Form 2-G)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. Bank Statements for All Bank Accounts
<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. Bank Statement Reconciliations for all Bank Accounts

I declare under the penalty of perjury that the following Monthly Operating Report, and any attachments thereto are true, accurate, and correct to the best of my knowledge and belief.

Executed on OCT 15, 2009 Print Name WILLIAM SHON

Signature [Signature]

Title OWNER

DEBTOF EASY STREET MEZZANINE

CASE NO.

09-29908

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period SEPTEMBER 14 to SEPTEMBER 30, 2009

CASH FLOW SUMMARY	CURRENT MONTH	ACCUMULATED
1. Beginning Cash Balance	\$ - 1	\$ - 1
2. Cash Receipts		
Operations	\$ -	\$ -
Sales of Assets	\$ -	\$ -
Loans / Advances	\$ -	\$ -
Other	\$ -	\$ -
Total Cash Receipts	\$ -	\$ -
3. Cash Disbursements		
Operations	\$ -	\$ -
Debt Service/Secured Loan Payment	\$ -	\$ -
Professional Fees/US Trustee Fees	\$ -	\$ -
Other	\$ -	\$ -
Total Cash Disbursements	\$ -	\$ -
4. Net Cash Flow (Total Cash Receipts less Total Cash Disbursements)	\$ -	\$ -
5. End Cash Balance (to Form 2-C)	\$ - 2	\$ - 2

CASH BALANCE SUMMARY	Financial Institution	Book Balance
Petty Cash		
DIP Operating Account		\$ -
DIP State Tax Account		\$ -
DIP Payroll Account		\$ -
Other Operating Account		\$ -
Other Interest Bearing Account		\$ -
TOTAL		\$ - 3
(must agree with Ending Cash Balance above)		

DEBTOR

CASE NO.

Form 2-B

CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period _____ to _____

CASH RECEIPTS DETAIL

Account No.

(ATTACH ADDITIONAL SHEETS AS NECESSARY)

Date	Payer	Description	Amount
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Total Cash Receipts _____ 1

(1) Total for all accounts should agree with the total cash receipts listed on Form 2-B, page 1

DEBTOR

CASE NO.

Form 2-B

CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period _____ to _____

CASH DISBURSEMENTS DETAIL

Account No.

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Date	Payer	Description	Amount
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Total Cash Disbursements _____ 1

(1) Total for all accounts should agree with the total cash disbursements listed on Form 2-B, page 1

DEBTOR**CASE NO.**

09-29908

EASY STREET MEZZANINE

Form 2-C
COMPARATIVE BALANCE SHEET
For Period Ending _____

	CURRENT MONTH	ACCUMULATED
ASSETS		
Current Assets		
Cash (from Form 2-B, Line 5)	\$ -	\$ -
Accounts Receivable (from Form 2-E)	\$ -	\$ -
Receivable from Officers, Employees, Affiliates	\$ -	\$ -
Inventory	\$ -	\$ -
Other Current Assets		
Total Current Assets	\$ -	\$ -
Fixed Assets		
Land	\$ -	\$ -
Building	\$ -	\$ -
Equipment, Furniture & Fixtures	\$ -	\$ -
Total Fixed Assets	\$ -	\$ -
Less: Accumulated Depreciation		
Net Fixed Assets	\$ -	\$ -
Other Fixed Assets	\$ 17,502,065.00	\$ 17,502,065.00
TOTAL ASSETS	\$ 17,502,065.00	\$ 17,502,065.00
LIABILITIES		
Post Petition Accounts Payables (Form 2-E)	\$ 539,743.00	\$ 539,743.00
Post Petition Accrued Professional Fees (Form 2-E)	\$ -	\$ -
Post Petition Taxes Payable (Form 2-E)	\$ -	\$ -
Post Petition Notes Payable	\$ -	\$ -
Other Post Petition Payables	\$ -	\$ -
Total Post Petition Liabilities	\$ 539,743.00	\$ 539,743.00
Pre Petition Liabilities		
Secured Debt	\$ 12,379,795.00	\$ 12,379,795.00
Priority Debt	\$ -	\$ -
Unsecured Debt	\$ -	\$ -
Total Pre Petition Debt	\$ 12,379,795.00	\$ 12,379,795.00
TOTAL LIABILITIES	\$ 12,919,538.00	\$ 12,919,538.00
OWNER EQUITY		
Owner/Stockholder Equity	\$ 4,582,527.00	\$ 4,582,527.00
Retained Earnings - Prepetition	\$ -	\$ -
Retained Earnings - Post Petition	\$ -	\$ -
TOTAL OWNERS EQUITY	\$ 4,582,527.00	\$ 4,582,527.00
TOTAL LIABILITIES & OWNER EQUITY	\$ 17,502,065.00	\$ 17,502,065.00

DEASY STREET MEZZANINE

CASE NO.

09-29908

Form 2-D

PROFIT AND LOSS STATEMENT

For Period SEPTEMBER 14 to SEPTEMBER 30, 2009

	CURRENT MONTH	ACCUMULATED
Gross Operating Revenues	\$ -	\$ -
Less: Discounts, Returns, Allowances	\$ -	\$ -
Net Operating Revenue	\$ -	\$ -
Cost of Goods Sold	\$ -	\$ -
Gross Profits	\$ -	\$ -
Operating Expenses		
Officer Compensation	\$ -	\$ -
Selling, General & Administrative	\$ -	\$ -
Rents & Leases	\$ -	\$ -
Depreciation, Depletion, & Amortization	\$ -	\$ -
Others	\$ -	\$ -
Total Operating Expenses	\$ -	\$ -
Operating Income (Loss)	\$ -	\$ -
Non Operating Income and Expenses		
Other Non Operating Expenses	\$ -	\$ -
Gains (Losses) on Sale of Assets	\$ -	\$ -
Interest Income	\$ -	\$ -
Interest Expense	\$ -	\$ -
Owner Rental Commissions	\$ -	\$ -
Net Non Operating Income or (Expenses)	\$ -	\$ -
Reorganization Expenses		
Legal & Professional Expenses	\$ -	\$ -
Other Reorganizational Expenses	\$ -	\$ -
Total Reorganizational Expenses	\$ -	\$ -
Net Income (loss) Before Income Taxes	\$ -	\$ -
Federal & State Income Tax Expense (Benefit)	\$ -	\$ -
NET INCOME (LOSS)	\$ -	\$ -

DEBTOR

EASY STREET MEZZANINE

**Form 2-E
SUPPORTING SCHEDULES**

For Period _____ to _____

POST PETITION TAXES PAYABLE SCHEDULE

	Beginning Balance	Amount Accrued	Amount Paid	Date Paid	Check Number	Ending Balance
Income Tax Withheld Federal State						
FICA Tax Withheld						
Employers Fica Tax						
Unemployment Tax Federal State						
Sales, Use & Excise Tax						
Property Tax						
Accrued Income Tax Federal State Other						
TOTALS	\$ -	\$ -	\$ -			\$ -

(1) For first report, Beginning Balance will be \$0: Beginning Balance will be Ending Balance from prior report

INSURANCE SCHEDULE

	Carrier	Amount of Coverage	Expiration Date	Premium Paid Through
Workers Compensation				
General Liability				
Property (Fire Theft)				
Vehicle				
Others				
		\$ -		

DEBTOR**CASE NO.****Form 2-E
SUPPORTING SCHEDULES**

For Period _____ to _____

ACCOUNTS RECEIVABLE & POST PETITION PAYABLE SCHEDULE

DUE	ACCOUNTS RECEIVABLE	POST PETITION ACCOUNTS PAYABLE
Under 30 Days		539742.56
31 to 60 Days		
61 to 90 Days		
91 to 120 Days		
Over 120 Days		
TOTAL POST PETITION	<u>\$ -</u>	
PRE PETITION AMOUNT	<u></u>	
Total Accounts Receivable		
Less: Bad Debt Reserve		
Net Accounts Receivable (to Form 2-C)	<u><u>\$ -</u></u>	

Total Post Petition
Accounts Payable \$ 539,742.56

***Attach a detail listing accounts receivable and post petition accounts payable**

SCHEDULE OF PAYMENTS TO ATTORNEYS & OTHER PROFESSIONALS

Month End Retainer Balance	Current Month's Accrual	Paid in Current Month	Date of Court Approval		Month End Balance Due*
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Debtor's Counsel
Counsel for Unsecured
Creditors Committee
Trustee Counsel
Accountant
Other

Total	\$ -	\$ -	\$ -		\$ -
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* Balance due to include fees and expenses incurred but not yet paid.

Schedule of Payments & Transfers to Principals / Executives**

Payee Name	Position	Nature of Payment	Amount
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** List payments and transfers of any kind and in any form made to or for the benefit of any proprietor owner, partner, officer, or director.

DEBTOR

CASE NO. 09-29908

**Form 2-F
QUARTERLY FEE SUMMARY*
FOR THE MONTH ENDED SEPTEMBER 2009**

Month	Year	Cash Disbursement**	Quarterly Fee Due	Check Number	Date Paid
January					
February					
March					
Total 1st Qtr		\$ -			
April					
May					
June					
Total 2nd Qtr		\$ -			
July					
August					
September			\$ 325.00		
Total 3rd Qtr		\$ -			
October					
November					
December					
Total 4th Qtr		\$ -			

FEE SCHEDULE (AS OF JANUARY 1, 2008)

Quarterly Disbursements			Fee
\$ -	to	\$ 14,999	\$ 325.00
\$ 15,000	to	\$ 74,999	\$ 650.00
\$ 75,000	to	\$ 149,999	\$ 975.00
\$ 15,000	to	\$ 224,999	\$ 1,625.00
\$ 225,000	to	\$ 299,999	\$ 1,950.00
\$ 300,000	to	\$ 999,999	\$ 4,875.00
\$ 1,000,000	to	\$ 1,999,999	\$ 65,000.00
\$ 2,000,000	to	\$ 2,999,999	\$ 9,750.00
\$ 3,000,000	to	\$ 4,999,999	\$ 10,400.00
\$ 5,000,000	to	\$ 14,999,999	\$ 13,000.00
\$ 15,000,000	to	\$ 29,999,999	\$ 20,000.00
\$ 30,000,000	to	more	\$ 30,000.00

* This summary is to reflect the current year's information cumulative to the end of the prereporting period

**Should agree with line 3 Form 2-B. Disbursements are net of transfers to other debtor in possession bank accounts

Failure to pay the quarterly fee is cause for conversion or dismissal of the chapter 11 case.[11USC Sec 112(b)(10)

In addition, unpaid fees are considered a debt owed the United States and will be assessed interest under 31 USC 3717

DEBTOR EASY STREET MEZZANINE **CASE NO.** 09-29907

Form 2-G
NARRATIVE
For Period Ending September 30, 2009

Please provide a brief description of any significant business and legal actions taken by the debtor, its creditors or the court during the reporting period, any unusual or non recurring accounting transactions that are reported in the financial statements, and any significant changes in the financial conditions of the debtor which have occurred subsequent to the report date.

The Debtor received approval from the court for interim operational funding to ensure continued operations of the property while negotiations for a cash collateral stipulation were conducted. This interim funding included funding for payroll and other essential needs.

The employees and condominium owners of the property were informed of the Bankruptcy protection filing by the company.

Various creditors and vendors were informed of the Bankruptcy protection filing by the company.

General press releases were issued by the company regarding the Chapter 11 event.

Efforts to set up the accounting and operational structures to accommodate the requirements of the court and the trustee commenced.

In September the property operated at a profit and exceeded the financial projections initially provided by the Debtor upon filing

DEBTOR

POST CONFIRMATION QUARTERLY REPORT

CH 11 CASE NO.

FOR QUARTER ENDED

SUMMARY OF DISBURSEMENTS MADE DURING QUARTER

1. Cash Balance, Beginning of Quarter
2. Cash Receipts during Quarter from all Sources
3. Cash Disbursements during Quarter including Plan Payments
4. Cash Balance End of Quarter(or as of repoart date for final report)

SUMMARY OF AMOUNTS DISBURSED UNDER PLAN \$ -

	Paid During Quarter	Total Paid To Date	Total Pyts Projected Under the Plan
1. ADMINISTRATIVE EXPENSES			
Plan Trustee Compensation	\$ -	\$ -	\$ -
Plan Trustee Expenses	\$ -	\$ -	\$ -
Attorney Fees Trustee	\$ -	\$ -	\$ -
Attorney Fees Debtor	\$ -	\$ -	\$ -
Other Professionals	\$ -	\$ -	\$ -
Other Administrative Expenses	\$ -	\$ -	\$ -
TOTAL ADMINISTRATIVE EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2. SECURED CREDITORS

3. PRIORITY CREDITORS

4. UNSECURED CREDITORS

5. EQUITY SECURITY HOLDERS

TOTAL PLAN PAYMENTS \$ - \$ - \$ -

QUARTERLY FEE PAID \$ - \$ - \$ -

PLAN STATUS

	YES	NO
1. Have all payments been made as set forth in the confirmed plan?	<input type="checkbox"/>	<input type="checkbox"/>
2. Are all post confirmation obligations current?	<input type="checkbox"/>	<input type="checkbox"/>
3. Projected date of application for final decree	<input type="text"/>	

I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING POST CONFIRMATION QUARTERLY REPORT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Reorganized Debtor _____

By: _____

Title _____

Email & Phone _____

DEBTOR

CASE NO

CASH FLOW PROJECTIONS FOR THE 6 MONTH PERIOD

MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	TOTAL
September	October	November	December	January	February		

Cash at Beginning of Month	-	-	-	-	-	-	-
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Income & Receipts

Cash Sales	-	-	-	-	-	-	-
Accounts Receivable Collection	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Other (Attached List)	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	-	-	-	-	-	-

EXPENSES & DISBURSEMENTS

Rent	-	-	-	-	-	-	-
Employee Salaries	-	-	-	-	-	-	-
Employee Benefits	-	-	-	-	-	-	-
Owner/Officer Salaries	-	-	-	-	-	-	-
Owner/Officer Benefits	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Bank Notes Payable	-	-	-	-	-	-	-
Vehicle Notes Payable	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-	-
US Trustee Fees	-	-	-	-	-	-	-
Court Costs	-	-	-	-	-	-	-
Other (List Attached)	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	-	-	-

NET CASH FLOW

Cash at the End of Month	-	-	-	-	-	-	-
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EASY STREET MEZZANINE
Balance Sheet
As of September 30, 2009

Current ratio [A/B]	-
Quick ratio [(A-C)/B]	-
Cash ratio [D/B]	-

Working capital [A-B]	\$ (539,743)
Debt-to-equity ratio [(G+H)/F]	2.70
Debt ratio [(G+H)/E]	0.71

ASSETS		% of ASSETS
Current assets		
Cash and cash equivalents [D]	-	0.0%
Short-term investments	-	0.0%
Accounts receivable [I]	-	0.0%
Inventories [C]	-	0.0%
Deferred income taxes	-	0.0%
Prepaid expenses and other current assets	-	0.0%
Total current assets [A]	\$ -	0.0%

Fixed assets		
Land and Improvements	-	0.0%
Building and Improvements	-	
Furniture, Fixtures, and Equipment	-	
Less accumulated depreciation	-	0.0%
Total fixed assets	\$ -	0.0%

Other assets		
Net Equity Easy Street Partners Limited, LLC	17,502,065	100.0%
Equity investments	-	0.0%
Deferred income taxes	-	0.0%
Fractional Unit Inventory	-	0.0%
Total other assets	\$ 17,502,065	100.0%
Total assets [E]	\$ 17,502,065	100.0%

LIABILITIES & OWNERS' EQUITY		% of ASSETS
Current liabilities		
Loans payable and current portion long-term debt [H]	-	0.0%
Accounts payable and accrued expenses	539,743	3.1%
Income taxes payable	-	0.0%
Accrued retirement and profit-sharing contributions	-	0.0%

Total current liabilities [B]	\$ 539,743	3.1%
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Other liabilities		
Long-term debt [G]	12,379,795	70.7%
Accrued retirement costs	-	0.0%
Deferred income taxes	-	0.0%
Deferred credits and other liabilities	-	0.0%

Total other liabilities	\$ 12,379,795	70.7%
Total liabilities	\$ 12,919,538	73.8%
Total owners' equity [F]	\$ 4,582,527	26.2%
Total liabilities + owners' equity	\$ 17,502,065	100.0%

EASY STREET MEZZANINE	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
CBIZ Accounting	0.00	0.00	0.00	0.00	12,048.67	12,048.67
CloudNine Resorts SL- Developement	0.00	0.00	0.00	0.00	422,737.67	422,737.67
David Wickline	0.00	36.66	0.00	0.00	1,499.30	1,535.97
Frank Rimerman & Co. LLP	12.51	1,381.03	0.00	0.00	0.00	1,393.55
Goodrich & Thomas, CPAs	0.00	4,655.00	0.00	0.00	11,445.00	16,100.00
Klehr,Harrison,Harvey,Branzburg & Eilers	0.00	0.00	13,621.86	4,912.31	0.00	18,534.17
Les Olson Company	687.50	0.00	0.00	0.00	0.00	687.50
Luxury Residence Group	2,003.99	1,935.09	1,929.98	1,926.30	17,111.66	24,907.04
McGladrey & Pullen	0.00	0.00	0.00	0.00	5,000.00	5,000.00
Merrit & Harris	0.00	0.00	0.00	0.00	1,066.67	1,066.67
Millcreek Constulting	0.00	0.00	0.00	0.00	33,348.00	33,348.00
Park City Surveying	0.00	0.00	0.00	0.00	638.33	638.33
Pitney Bowes	0.00	53.86	0.00	0.00	0.00	53.86
Shaner Design, Inc.	0.00	840.00	0.00	245.00	280.00	1,365.00
Staples Credit Plan	194.86	131.27	0.00	0.00	0.00	326.13
	2,898.86	9,032.91	15,551.84	7,083.61	505,175.30	539,742.56

EASY STREET MEZZANINE

Long Term Liabilities

<u>Due To</u>	<u>Description</u>	<u>Amount</u>
Bay North Capital	Mezzanine Loan	12,379,795.00
	TOTAL	<u>\$12,379,795.00</u> B16